(624)(2)

Department of State **TELEGRAM**

LIMITED OFFICIAL USE

AN: D730011-0304

PAGE 01 STATE 156929

72
ORIGIN EB-04

INFO OCT-01 ADP-00 /005 R

66651
DRAFTED BY:EB/ORF/FSE:GMBENNSKY
APPROVED BY:EB/ORF/FSE:GM BENNSKY
---------- 077023
R 132005Z AUG 73
FM SECSTATE WASHDC
TO AMEMBASSY BONN

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 12/17/82
RDS☐or XDS☐EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☑
DECLASSIFIED☐ RELEASABLE☑
RELEASE DENIED☐
PA or FOI EXEMPTIONS _____

LIMITED OFFICIAL USE STATE 156929

FOL. TEL SENT ACTION TRIPOLI, INFO LGIERS LONDON, PARIS, AMMAN, BEIRUT, CAIRO, JIDDA, KUWAITH ROME, THRAN, TEL AVIV, MANAMA, ATHENS, BRASILIA, RABAT, TUNIS, USUN, MOSCOW, SOFIA, BUCHAREST, BAGHDAD FROM SECSTATE 08 AUG 73
REPEATED TO YOU

QTE LIMITED OFFICIAL USE STATE 156929

EO. 11652: N/A
TAGS: PFOR ENRG LY
SUBJECT: BUNKER HUNT EXPROPRIATION
1. FOLLOWING IS EXCERPT FROM TRANSCRIPT OF PRESS BRIEFING BY DEPT SPOKESMAN AUGUST 8:

Q. CHARLES, WHAT ABOUT THE BUNKER OIL PROPERTIES IN LIBYA? HAVE WE DECLARED THE SEIZURE BY THE LIBYAN GOVERNMENT TO BE INVALID?

A. I WOULD LIKE TO DO PART OF THIS ON THE RECORD AND PART ON BACKGROUND, JOHN, AND THE REST OF YOU.

I THINK THAT IF YOU EXAMINE THE PRESIDENT'S STATEMENT WITH RESPECT TO OUR EXPROPRIATION POLICY OF JANUARY 19, 1972 --
PAGE 02 STATE 156929

LIMITED OFFICIAL USE

[redacted]

Q. WHAT WAS THE OCCASION, CHARLES?

A. JANUARY 19?
Q. YES.

A. THAT WAS THE ISSUANCE OF A GENERAL STATEMENT BY THE PRESIDENT WITH RESPECT TO OUR POLICY IN MATTERS OF EXPROPRIATION BY FOREIGN GOVERNMENTS. THERE WAS NO INSTANT OCCASION, AS I RECALL IT. AND IF YOU LOOK AT WHAT JOHN SAID IN THIS ROOM ON JUNE 12, YOU WILL FIND THAT BOTH THE PRESIDENT'S STATEMENT AND JOHN'S REITERATION OF IT ON THE 12TH REFERRED TO THE ELEMENTS WHICH WE THOUGH WERE INVOLVED IN MATTERS OF EXPROPRIATION, AND SPECIFICALLY IT WAS SAID IN THOSE TWO DOCUMENTS THAT THE UNITED STATES HAS A RIGHT TO EXPECT THAT ANY TAKING OF AMERICAN PRIVATE PROPERTY WILL BE NON-DISCRIMINATORY, THAT IT WILL BE FOR A PUBLIC PURPOSE, AND THAT ITS CITIZENS WILL RECEIVE PROMPT, ADEQUATE AND EFFECTIVE COMPENSATIGH FROM THE EXPROPRIATING COUNTRY. YOU CAN GO BACK AND LOOK THOSE WORDS UP.

NOW, AT THAT POINT I WOULD LIKE TO BEG YOUR INDULGENCE AND GO ON BACKGROUND, FOR REASONS WHICH I WILL EXPLAIN. THERE ARE A NUMBER OF INTERESTS INVOLVED HERE. YOURS, OBVIOUSLY. AND THERE I WOULD SIMPLY NOTE THAT OUR POLICY IS A MATTER OF PUBLIC RECORD. THERE ARE ALSO THE OIL COMPANY INTERESTS IN PLAY. AND THERE IS OUR INTEREST IN DOING WHAT WE CAN TO BRING ABOUT A SITUATION AS FAVORABLE TO AMERICAN INTERESTS AS WE CAN.

FOR THOSE REASON, AND SINCE THOSE IN PART INVOLVE OUR CONTINUING RELATIONSHIPS WITH THE LIBYAN GOVERNMENT, I THINK IT BEST IF TODAY I TAKE THE REST OF THIS ON BACKGROUND.

SO WHAT I WAS SAYING, JOHN, IN EFFECT WAS THAT THERE HAS BEEN NO SHIFT IN AMERICAN POLICY.

AS YOU WILL RECALL, PRESIDENT QADHAFI DECLARED THE SEIZURE OF THE BUNKER HUNT INTERESTS IN LIBYA ON JUNE 11,

IN THE COURSE OF A LONG SPEECH IN WHICH HE SAID THAT THE NATIONALIZATION OF THE COMPANY WAS NECESSARY BECAUSE THE UNITED STATES NEEDED TO BE GIVEN WHAT HE CALLED "A HARD SLAP ON ITS COOL, ARROGANT FACT.".

NOW, IF IT IS RECOGNIZED UNDER INTERNATIONAL LAW, AS INDEED IT IS RECOGNIZED, THAT EXPROPRIATION MUST BE FOR PUBLIC PURPOSES, THEN THE UNITED STATES GOVERNMENT DOES NOT RECOGNIZE THIS EXPLANATION FOR THE EXPROPRIATIONS AS A VALID PUBLIC PURPOSE.

JOHN DEFERRED SPECIFIC COMMENT ON JUNE 11 ON MR. QADHAFI'S SPEECH. BUT AFTER SOME FURTHER STUDY OF THE LIBYAN DECREE AND COLONEL QADHAFI'S REMARKS, IT BECAME CLEAR TO US THAT THE STATED PURPOSES OF THE LIBYAN GOVERNMENT WERE NOT CONSISTENT WITH THE CONCEPT OF PUBLIC PURPOSES, AND WE SO INFORMED THEM IN A NOTE DELIVERED ON JULY 8.
NOW, WE HAVE COMMUNICATED OUR POSITION, BOTH WITH RESPECT TO THE PRINCIPLE OF LAW INVOLVED AND WITH RESPECT TO WHAT WE CONSIDER THE OVERRIDING DESIRABILITY THAT OTHER COMPANIES AND GOVERNMENTS NOT INTERVENE IN THIS SITUATION, HAVING THE PRINCIPLE IN MIND, BY, FOR EXAMPLE, MAKING PURCHASES OF WHAT YOU MIGHT CALL "HOT OIL."

I WOULD PREFER NOT TO GET INTO A DESCRIPTION OF THOSE GOVERNMENTS WITH WHOM WE HAVE BEEN IN TOUCH, BUT WE HAVE BEEN.

Q. CHARLES, IN A REPORT PUBLISHED TODAY ON THIS SUBJECT, THERE ARE QUOTES FROM A U.S. DIPLOMATIC NOTE TO THE LIBYANS, AND ARE THOSE QUOTES CORRECT?

A. I AM GOING TO BE A LITTLE RESERVED ON THAT, NICK, AND SAY THAT--ALL OF THIS ON BACKGROUND STILL--THAT ON AUGUST 3 THE DEPARTMENT SENT A LETTER TO A REPRESENTATIVE OF NELSON BUNKER HUNT COMPANY WHICH NOTED SEVERAL THINGS. ONE WAS THE COMPANY'S INTEREST IN A STATEMENT OF OUR POSITION. THE SECOND WAS AN UNDERTAKING TO PROVIDE THE COMPANY WITH AN AUTHENTICATED COPY OF THE NOTE IN ENGLISH AND ARABIC. AND PENDING THAT, THE NOTE ENCLOSED THE SUB-

STANCE--THE LETTER ENCLOSED THE SUBSTANCE OF THE NOTE BUT NOT THE TEXT, AS I UNDERSTAND IT. THE LETTER ALSO INDICATED THAT WE WERE PREPARED TO MAKE APPROPRIATE REPRESENTATIONS IN BEHALF OF THE COMPANY'S INTERESTS. BUT I THINK FOR QUOTES FROM THE LETTER, YOU HAD BEST HAVE REFERENCE TO THE COMPANY, SINCE THEY HAVE SOME INTERESTS IN THIS MATTER AND THEY PRESUMABLY NEED TO MAKE A JUDGMENT WHETHER THEY WISH TO MAKE THE TEXT PUBLICLY AVAILABLE ON A WIDE-SPREAD BASIS.

2. FOLLOWING ABOVE Q AND A, THERE WAS LONG DISCUSSION OF LEGAL PRECEDENTS AND DEFINITIONS OF TERMS "PUBLIC PURPOSE," "NON-DISCRIMINATORY" AND "HOT OIL." PRESS SPOKESMAN REPEATED POINT THAT USG CONSIDERED LARG ACTION HAD BEEN TAKEN AS "POLITICAL REPRISAL" AND WAS THEREFORE IN VIOLATION OF INTERNATIONAL LAW. IN ANSWER TO QUESTION WHETHER USG SENT NOTE TO LARG ON JULY 8 AS RESULT PRESSURE FROM OIL COMPANY, SPOKESMAN SAID "THE DECISION IN THE MATTER WAS TAKEN BY THE UNITED STATES GOVERNMENT BASED ON ITS JUDGMENT OF AMERICAN INTERESTS IN THE BROADEST SENSE AND ITS OBLIGATION TO PROTECT AMERICAN INTERESTS, NOT ONLY IN THE INSTANT CASE, BUT CONCEIVABLY IN A MUCH BROADER FRAMEWORK AS WELL." ROGERS